

This legislation will help us reach that goal and I urge my colleagues to support it.

Mr. WAXMAN. Mr. Speaker, H.R. 6575, the Over-Classification Reduction Act, is aimed at reducing over-classification by the Federal Government. I introduced this bill with the Ranking Member of the Committee on Oversight and Government Reform, TOM DAVIS.

I want to thank Ranking Member DAVIS for working with me to move this bill. I also want to thank Chairman REYES and Representative HARMAN for their cooperation on this bill and for their leadership on this issue. In addition, I want to recognize Representative CLAY for his work on this issue.

The 9/11 Commission recommended providing incentives for information sharing, "to restore a better balance between security and shared knowledge." But unfortunately, that advice has not been heeded. We continue to see the Federal Government fostering secrecy using the tool of over-classification.

As the 9/11 Commission pointed out in its report, "[c]urrent security requirements nurture overclassification and excessive compartmentalization of information among agencies. Each agency's incentive structure opposes sharing, with risks . . . but few rewards for sharing information. No one has to pay the long-term costs of overclassifying information, though these costs—even in literal financial terms—are substantial."

H.R. 6575 would require the Archivist to promulgate regulations to prevent the over-classification of information. This bill would increase accountability by allowing individuals to challenge decisions to classify information and requiring that successful challenges be rewarded. The bill improves oversight of classification decisions by requiring the Inspector General of each affected agency to randomly audit classified information to determine whether the appropriate procedures were followed and to provide recommendations for improvements. It also requires training for employees to proactively prevent over-classification.

The problem of over-classification is governmentwide and it demands a governmentwide solution. In order to improve information sharing, every agency that has employees with the authority to classify documents must be held accountable. This bill does that. I urge support for H.R. 6575.

Mr. CLAY. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Missouri (Mr. CLAY) that the House suspend the rules and pass the bill, H.R. 6575, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

#### SECURITIES ACT OF 2008

Mr. KANJORSKI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6513) to amend the Federal securities laws to enhance the effectiveness of the Securities and Exchange Commission's enforcement, corporation finance, trading and markets,

investment management, and examination programs, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 6513

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Securities Act of 2008".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Authority to impose civil penalties in cease and desist proceedings.
- Sec. 3. Formerly associated persons.
- Sec. 4. Scope of exemption from State securities regulation.
- Sec. 5. Covered securities.
- Sec. 6. Collateral bars.
- Sec. 7. Unlawful margin lending.
- Sec. 8. Securities Investor Protection Act of 1970 amendments.
- Sec. 9. Annual testimony on reducing complexity in financial reporting.
- Sec. 10. Equal treatment for self-regulatory organization rules.
- Sec. 11. Lost and stolen securities.
- Sec. 12. Fingerprinting.
- Sec. 13. Clarification that section 205 of the Investment Advisers Act of 1940 does not apply to State-registered advisers.
- Sec. 14. Amendments to section 31 of the Securities Exchange Act of 1934.
- Sec. 15. Protecting confidentiality of materials submitted to Commission.
- Sec. 16. Sharing privileged information with other authorities.
- Sec. 17. Technical corrections.
- Sec. 18. Conforming amendments for the repeal of the Public Utility Holding Company Act of 1935.
- Sec. 19. Nationwide service of subpoenas.

#### SEC. 2. AUTHORITY TO IMPOSE CIVIL PENALTIES IN CEASE AND DESIST PROCEEDINGS.

(a) UNDER THE SECURITIES ACT OF 1933.—Section 8A of the Securities Act of 1933 (15 U.S.C. 77h-1) is amended by adding at the end the following new subsection:

"(g) AUTHORITY TO IMPOSE MONEY PENALTIES.—

"(1) GROUNDS FOR IMPOSING.—In any cease-and-desist proceeding under subsection (a), the Commission may impose a civil penalty on a person if it finds, on the record after notice and opportunity for hearing, that—

"(A) such person—

"(i) is violating or has violated any provision of this title, or any rule or regulation thereunder; or

"(ii) is or was a cause of the violation of any provision of this title, or any rule or regulation thereunder; and

"(B) such penalty is in the public interest.

"(2) MAXIMUM AMOUNT OF PENALTY.—

"(A) FIRST TIER.—The maximum amount of penalty for each act or omission described in paragraph (1) shall be \$6,500 for a natural person or \$65,000 for any other person.

"(B) SECOND TIER.—Notwithstanding paragraph (A), the maximum amount of penalty for each such act or omission shall be \$65,000 for a natural person or \$325,000 for any other person if the act or omission described in paragraph (1) involved fraud, deceit, manipulation, or deliberate or reckless disregard of a regulatory requirement.

"(C) THIRD TIER.—Notwithstanding paragraphs (A) and (B), the maximum amount of penalty for each such act or omission shall be \$130,000 for a natural person or \$650,000 for any other person if—

"(i) the act or omission described in paragraph (1) involved fraud, deceit, manipulation, or deliberate or reckless disregard of a regulatory requirement; and

"(ii) such act or omission directly or indirectly resulted in substantial losses or created a significant risk of substantial losses to other persons or resulted in substantial pecuniary gain to the person who committed the act or omission.

"(3) EVIDENCE CONCERNING ABILITY TO PAY.—In any proceeding in which the Commission may impose a penalty under this section, a respondent may present evidence of the respondent's ability to pay such penalty. The Commission may, in its discretion, consider such evidence in determining whether such penalty is in the public interest. Such evidence may relate to the extent of such person's ability to continue in business and the collectability of a penalty, taking into account any other claims of the United States or third parties upon such person's assets and the amount of such person's assets."

(b) UNDER THE SECURITIES EXCHANGE ACT OF 1934.—Subsection (a) of section 21B of the Securities Exchange Act of 1934 (15 U.S.C. 78u-2(a)) is amended—

(1) by striking "(a) COMMISSION AUTHORITY TO ASSESS MONEY PENALTIES.—In any proceeding" and inserting the following:

"(a) COMMISSION AUTHORITY TO ASSESS MONEY PENALTIES.—

"(1) IN GENERAL.—In any proceeding";

(2) by redesignating paragraphs (1) through (4) of such subsection as subparagraphs (A) through (D), respectively and moving such redesignated subparagraphs and the matter following such subparagraphs 2 ems to the right; and

(3) by adding at the end of such subsection the following new paragraph:

"(2) CEASE-AND-DESIST PROCEEDINGS.—In any proceeding instituted pursuant to section 21C of this title against any person, the Commission may impose a civil penalty if it finds, on the record after notice and opportunity for hearing, that such person—

"(A) is violating or has violated any provision of this title, or any rule or regulation thereunder; or

"(B) is or was a cause of the violation of any provision of this title, or any rule or regulation thereunder."

(c) UNDER THE INVESTMENT COMPANY ACT OF 1940.—Paragraph (1) of section 9(d) of the Investment Company Act of 1940 (15 U.S.C. 80a-9(d)(1)) is amended—

(1) by striking "(1) AUTHORITY OF COMMISSION.—In any proceeding" and inserting the following:

"(1) AUTHORITY OF COMMISSION.—

"(A) IN GENERAL.—In any proceeding";

(2) by redesignating subparagraphs (A) through (C) of such paragraph as clauses (i) through (iii), respectively and by moving such redesignated clauses and the matter following such subparagraphs 2 ems to the right; and

(3) by adding at the end of such paragraph the following new subparagraph:

"(B) CEASE-AND-DESIST PROCEEDINGS.—In any proceeding instituted pursuant to subsection (f) against any person, the Commission may impose a civil penalty if it finds, on the record after notice and opportunity for hearing, that such person—

"(i) is violating or has violated any provision of this title, or any rule or regulation thereunder; or

"(ii) is or was a cause of the violation of any provision of this title, or any rule or regulation thereunder."

(d) UNDER THE INVESTMENT ADVISERS ACT OF 1940.—Paragraph (1) of section 203(i) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-3(i)(1)) is amended

(1) by striking “(1) AUTHORITY OF COMMISSION.—In any proceeding” and inserting the following:

“(1) AUTHORITY OF COMMISSION.—

“(A) IN GENERAL.—In any proceeding”;

(2) by redesignating subparagraphs (A) through (D) of such paragraph as clauses (i) through (iv), respectively and moving such redesignated clauses and the matter following such subparagraphs 2 ems to the right; and

(3) by adding at the end of such paragraph the following new subparagraph:

“(B) CEASE-AND-DESIST PROCEEDINGS.—In any proceeding instituted pursuant to subsection (k) against any person, the Commission may impose a civil penalty if it finds, on the record after notice and opportunity for hearing, that such person—

“(i) is violating or has violated any provision of this title, or any rule or regulation thereunder; or

“(ii) is or was a cause of the violation of any provision of this title, or any rule or regulation thereunder.”.

### SEC. 3. FORMERLY ASSOCIATED PERSONS.

(a) MEMBER OR EMPLOYEE OF THE MUNICIPAL SECURITIES RULEMAKING BOARD.—Section 15B(c)(8) of the Securities Exchange Act of 1934 (15 U.S.C. 78o-4(c)(8)) is amended by striking “any member or employee” and inserting “any person who is, or at the time of the alleged misconduct was, a member or employee”.

(b) PERSON ASSOCIATED WITH A GOVERNMENT SECURITIES BROKER OR DEALER.—Section 15C of the Securities Exchange Act of 1934 (15 U.S.C. 78o-5) is amended—

(1) in subsection (c)(1)(C), by striking “or seeking to become associated,” and inserting “seeking to become associated, or, at the time of the alleged misconduct, associated or seeking to become associated”;

(2) in subsection (c)(2)(A), by inserting “, seeking to become associated, or, at the time of the alleged misconduct, associated or seeking to become associated” after “any person associated”; and

(3) in subsection (c)(2)(B), by inserting “, seeking to become associated, or, at the time of the alleged misconduct, associated or seeking to become associated” after “any person associated”.

(c) PERSON ASSOCIATED WITH A MEMBER OF A NATIONAL SECURITIES EXCHANGE OR REGISTERED SECURITIES ASSOCIATION.—Section 21(a)(1) of the Securities Exchange Act of 1934 (15 U.S.C. 78u(a)(1)) is amended by inserting “, or, as to any act or practice, or omission to act, while associated with a member, formerly associated” after “member or a person associated”.

(d) PARTICIPANT OF A REGISTERED CLEARING AGENCY.—Section 21(a)(1) of the Securities Exchange Act of 1934 (15 U.S.C. 78u(a)(1)) is amended by inserting “or, as to any act or practice, or omission to act, while a participant, was a participant,” after “in which such person is a participant.”.

(e) OFFICER OR DIRECTOR OF A SELF-REGULATORY ORGANIZATION.—Section 19(h)(4) of the Securities Exchange Act of 1934 (15 U.S.C. 78s(h)(4)) is amended—

(1) by striking “any officer or director” and inserting “any person who is, or at the time of the alleged misconduct was, an officer or director”; and

(2) by striking “such officer or director” and inserting “such person”.

(f) OFFICER OR DIRECTOR OF AN INVESTMENT COMPANY.—Section 36(a) of the Investment Company Act of 1940 (15 U.S.C. 80a-35(a)) is amended—

(1) by striking “a person serving or acting” and inserting “a person who is, or at the time of the alleged misconduct was, serving or acting”; and

(2) by striking “such person so serves or acts” and inserting “such person so serves or acts, or at the time of the alleged misconduct, so served or acted”.

### SEC. 4. SCOPE OF EXEMPTION FROM STATE SECURITIES REGULATION.

Section 18(b)(1) of the Securities Act of 1933 (15 U.S.C. 77r(b)(1)) is amended—

(1) in subparagraph (A)—

(A) by striking “or the American Stock Exchange, or listed, or authorized for listing, on the National Market System of the Nasdaq Stock Market (or any successor to such entities)” and inserting “, the American Stock Exchange, or the Nasdaq Stock Market (or any successor to such entities)”; and

(B) by inserting before the semicolon the following: “, except that a security listed, or authorized for listing, on the New York Stock Exchange, the American Stock Exchange, or the Nasdaq Stock Market (or any successor to such entities) shall not be a covered security if the exchange adopts listing standards pursuant to section 19(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78s(b)) that designates a tier or segment of such securities as securities that are not covered securities for purposes of this section and such security is listed, or authorized for listing, on such tier or segment”; and

(2) in subparagraph (B), by inserting “covered” after “applicable to”.

### SEC. 5. COVERED SECURITIES.

(a) WARRANTS AND RIGHTS.—Section 18(b)(1) of the Securities Act of 1933 (15 U.S.C. 77r(b)(1)) is amended—

(1) in subparagraph (B), by striking “or” at the end;

(2) in subparagraph (C), by striking the period at the end and inserting “; or”; and

(3) by adding at the end the following:

“(D) a warrant or right to subscribe to or purchase any of the foregoing.”.

(b) EXEMPT OFFERINGS.—Section 18(b)(4)(D) of the Securities Act of 1933 (15 U.S.C. 77r(b)(4)(D)) is amended to read as follows:

“(D) Commission rules or regulations issued under section 4(2), except that this subparagraph does not prohibit a State from imposing notice filing requirements that are substantially similar to those required by rule or regulation under section 4(2) that are in effect on September 1, 1996, including information corresponding to that in all the parts and the appendix to Form D.”.

### SEC. 6. COLLATERAL BARS.

(a) SECTION 15(B)(6)(A) OF THE SECURITIES EXCHANGE ACT OF 1934.—Section 15(b)(6)(A) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(b)(6)(A)) is amended by striking “12 months, or bar such person from being associated with a broker or dealer,” and inserting “12 months, or bar any such person from being associated with a broker, dealer, investment adviser, municipal securities dealer, or transfer agent.”.

(b) SECTION 15B(C)(4) OF THE SECURITIES EXCHANGE ACT OF 1934.—Section 15B(c)(4) of the Securities Exchange Act of 1934 (15 U.S.C. 78o-4(c)(4)) is amended by striking “twelve months or bar any such person from being associated with a municipal securities dealer,” and inserting “twelve months or bar any such person from being associated with a broker, dealer, investment adviser, municipal securities dealer, or transfer agent.”.

(c) SECTION 17A(C)(4)(C) OF THE SECURITIES EXCHANGE ACT OF 1934.—Section 17A(c)(4)(C) of the Securities Exchange Act of 1934 (15 U.S.C. 78q-1(c)(4)(C)) is amended by striking “twelve months or bar any such person from being associated with the transfer agent,” and inserting “twelve months or bar any such person from being associated with any transfer agent, broker, dealer, investment adviser, or municipal securities dealer.”.

(d) SECTION 203(F) OF THE INVESTMENT ADVISERS ACT OF 1940.—Section 203(f) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-3(f)) is amended by striking “twelve months or bar any such person from being associated with an investment adviser,” and inserting “twelve months or bar any such person from being associated with an investment adviser, broker, dealer, municipal securities dealer, or transfer agent.”.

### SEC. 7. UNLAWFUL MARGIN LENDING.

Section 7(c)(1)(A) of the Securities Exchange Act of 1934 (15 U.S.C. 78g(c)(1)(A)) is amended by striking “; and” and inserting “; or”.

### SEC. 8. SECURITIES INVESTOR PROTECTION ACT OF 1970 AMENDMENTS.

(a) SIPC ADVANCES.—Section 9(a)(1) of the Securities Investor Protection Act of 1970 (15 U.S.C. 78fff-3(a)(1)) is amended by inserting “or options on commodity futures contracts” after “claim for securities”.

(b) DEFINITIONS.—Section 16 of such Act (15 U.S.C. 78lll) is amended—

(1) by amending paragraph (2) to read as follows:

“(2) CUSTOMER.—

“(A) IN GENERAL.—The term ‘customer’ of a debtor means any person (including any person with whom the debtor deals as principal or agent) who has a claim on account of securities received, acquired, or held by the debtor in the ordinary course of its business as a broker or dealer from or for the securities accounts of such person for safekeeping, with a view to sale, to cover consummated sales, pursuant to purchases, as collateral, security, or for purposes of effecting transfer.

“(B) INCLUDED PERSONS.—The term ‘customer’ includes—

“(i) any person who has deposited cash with the debtor for the purpose of purchasing securities;

“(ii) any person who has a claim against the debtor for cash, securities, futures contracts, or options on futures contracts received, acquired, or held in a portfolio margining account carried as a securities account pursuant to a portfolio margining program approved by the Commission; and

“(iii) any person who has a claim against the debtor arising out of sales or conversions of such securities.

“(C) EXCLUDED PERSONS.—The term ‘customer’ does not include—

“(i) any person to the extent that the claim of such person arises out of transactions with a foreign subsidiary of a member of SIPC; or

“(ii) any person to the extent that such person has a claim for cash or securities which by contract, agreement, or understanding, or by operation of law, is part of the capital of the debtor, or is subordinated to the claims of any or all creditors of the debtor, notwithstanding that some ground exists for declaring such contract, agreement, or understanding void or voidable in a suit between the claimant and the debtor.”;

(2) in paragraph (4), by inserting after the first sentence the following new sentence: “In the case of portfolio margining accounts of customers that are carried as securities accounts pursuant to a portfolio margining program approved by the Commission, such term shall also include futures contracts and options on futures contracts received, acquired, or held by or for the account of a debtor from or for such accounts, and the proceeds thereof.”;

(3) in paragraph (9), by inserting before “Such term” in the matter following subparagraph (L) the following: “The term includes revenues earned by a broker or dealer in connection with transactions in customers’ portfolio margining accounts carried

as securities accounts pursuant to a portfolio margining program approved by the Commission.”; and

(4) in paragraph (11)—

(A) by amending subparagraph (A) to read as follows:

“(A) calculating the sum which would have been owed by the debtor to such customer if the debtor had liquidated, by sale or purchase on the filing date—

“(i) all securities positions of such customer (other than customer name securities reclaimed by such customer); and

“(ii) all positions in futures contracts and options on futures contracts held in a portfolio margining account carried as a securities account pursuant to a portfolio margining program approved by the Commission; minus”; and

(B) by inserting before “In determining” in the matter following subparagraph (C) the following: “A claim for a commodity futures contract received, acquired, or held in a portfolio margining account pursuant to a portfolio margining program approved by the Commission, or a claim for a security futures contract, shall be deemed to be a claim for the mark-to-market (variation) payments due with respect to such contract as of the filing date, and such claim shall be treated as a claim for cash.”.

#### **SEC. 9. ANNUAL TESTIMONY ON REDUCING COMPLEXITY IN FINANCIAL REPORTING.**

(a) FINDINGS.—Congress finds the following:

(1) Transparent and clear financial reporting is integral to the continued growth and strength of our capital markets and the confidence of investors.

(2) The increasing detail and volume of accounting, auditing, and reporting guidance pose a major challenge.

(3) The complexity of accounting and auditing standards in the United States has added to the costs and effort involved in financial reporting.

(b) TESTIMONY REQUIRED ON REDUCING COMPLEXITY IN FINANCIAL REPORTING.—The Securities and Exchange Commission, the Financial Accounting Standards Board, and the Public Company Accounting Oversight Board shall annually provide oral testimony by their respective Chairpersons or a designee of the Chairperson, beginning in 2009, and for 5 years thereafter, to the Committee on Financial Services of the House of Representatives on their efforts to reduce the complexity in financial reporting to provide more accurate and clear financial information to investors, including—

(1) reassessing complex and outdated accounting standards;

(2) improving the understandability, consistency, and overall usability of the existing accounting and auditing literature;

(3) developing principles-based accounting standards;

(4) encouraging the use and acceptance of interactive data; and

(5) promoting disclosures in “plain English”.

#### **SEC. 10. EQUAL TREATMENT FOR SELF-REGULATORY ORGANIZATION RULES.**

Section 29(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78cc(a)) is amended by striking “an exchange required thereby” and inserting “a self-regulatory organization”.

#### **SEC. 11. LOST AND STOLEN SECURITIES.**

Section 17(f)(1) of the Securities Exchange Act of 1934 (15 U.S.C. 78q(f)(1)) is amended—

(1) in subparagraph (A), by striking “missing, lost, counterfeit, or stolen securities” and inserting “securities that are missing, lost, counterfeit, stolen, cancelled, or any other category of securities as the Commission, by rule, may prescribe”; and

(2) in subparagraph (B), by striking “or stolen” and inserting “stolen, cancelled, or

reported in such other manner as the Commission, by rule, may prescribe”.

#### **SEC. 12. FINGERPRINTING.**

Section 17(f)(2) of the Securities Exchange Act of 1934 (15 U.S.C. 78q(f)(2)) is amended—

(1) by striking “and registered clearing agency,” and inserting “registered clearing agency, registered securities information processor, national securities exchange, and national securities association”; and

(2) by striking “or clearing agency,” and inserting “clearing agency, securities information processor, national securities exchange, or national securities association.”.

#### **SEC. 13. CLARIFICATION THAT SECTION 205 OF THE INVESTMENT ADVISERS ACT OF 1940 DOES NOT APPLY TO STATE-REGISTERED ADVISERS.**

Section 205(a) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-5(a)) is amended—

(1) by striking “, unless exempt from registration pursuant to section 203(b),” and inserting “registered or required to be registered with the Commission”; and

(2) by striking “make use of the mails or any means or instrumentality of interstate commerce, directly or indirectly, to”; and

(3) by striking “to” after “in any way”.

#### **SEC. 14. AMENDMENTS TO SECTION 31 OF THE SECURITIES EXCHANGE ACT OF 1934.**

Section 31 of the Securities Exchange Act of 1934 (15 U.S.C. 78ee) is amended—

(1) in subsection (e)(2), by striking “September 30” and inserting “September 25”; and

(2) in subsection (g), by striking “April 30” and inserting “August 31”.

#### **SEC. 15. PROTECTING CONFIDENTIALITY OF MATERIALS SUBMITTED TO COMMISSION.**

(a) SECURITIES EXCHANGE ACT OF 1934.—Section 17(j) of the Securities Exchange Act of 1934 (15 U.S.C. 78q(j)) is amended to read as follows:

“(j) AUTHORITY TO LIMIT DISCLOSURE OF INFORMATION.—Notwithstanding any other provision of law, the Commission shall not be compelled to disclose any information, documents, records, or reports that relate to an examination of a person subject to or described in this section, including subsection (i)(5)(A), or the financial or operational condition of such persons, or any information supplied to the Commission by any domestic or foreign regulatory agency that relates to the financial or operational condition of such persons, of any associated person of such persons, or any affiliate of an investment bank holding company. Nothing in this subsection shall authorize the Commission to withhold information from Congress, or prevent the Commission from complying with a request for information from any other Federal department or agency or any self-regulatory organization requesting the information for purposes within the scope of its jurisdiction. Nothing in this subsection shall prevent the Commission from complying with an order of a court of the United States in an action brought by the United States or the Commission against such a person to produce information, documents, records, or reports relating directly to the examination of that person or the financial or operational condition of that person or an associated or affiliated person of that person. For purposes of section 552 of title 5, United States Code, this subsection shall be considered a statute described in subsection (b)(3)(B) of such section 552. In prescribing regulations to carry out the requirements of this subsection, the Commission shall designate information described in or obtained pursuant to subparagraphs (A), (B), and (C) of subsection (i)(3) as confidential information for purposes of section 24(b)(2) of this title.”.

(b) INVESTMENT COMPANY ACT OF 1940.—Section 31(b) of the Investment Company Act of 1940 (15 U.S.C. 80a-30(b)) is amended by adding at the end the following:

“(4) CONFIDENTIALITY.—Notwithstanding any other provision of law, the Commission shall not be compelled to disclose any information, documents, records, or reports that relate to an examination of a person subject to or described in this section. Nothing in this subsection shall authorize the Commission to withhold information from Congress, or prevent the Commission from complying with a request for information from any other Federal department or agency requesting the information for purposes within the scope of its jurisdiction. Nothing in this subsection shall prevent the Commission from complying with an order of a court of the United States in an action brought by the United States or the Commission against such a person to produce information, documents, records, or reports relating directly to the examination of that person or the financial or operational condition of that person or an associated or affiliated person of that person. For purposes of section 552 of title 5, United States Code, this subsection shall be considered a statute described in subsection (b)(3)(B) of such section 552.”.

(c) INVESTMENT ADVISERS ACT OF 1940.—Section 204 of the Investment Advisers Act of 1940 (15 U.S.C. 80b-4) is amended by adding at the end the following new subsection:

“(d) CONFIDENTIALITY.—Notwithstanding any other provision of law, the Commission shall not be compelled to disclose any information, documents, records, or reports that relate to an examination of a person subject to or described in this section. Nothing in this subsection shall authorize the Commission to withhold information from Congress, or prevent the Commission from complying with a request for information from any other Federal department or agency requesting the information for purposes within the scope of its jurisdiction. Nothing in this subsection shall prevent the Commission from complying with an order of a court of the United States in an action brought by the United States or the Commission against such a person to produce information, documents, records, or reports relating directly to the examination of that person or the financial or operational condition of that person or an associated or affiliated person of that person. For purposes of section 552 of title 5, United States Code, this subsection shall be considered a statute described in subsection (b)(3)(B) of such section 552.”.

#### **SEC. 16. SHARING PRIVILEGED INFORMATION WITH OTHER AUTHORITIES.**

Section 24 of the Securities Exchange Act of 1934 (15 U.S.C. 78x) is amended—

(1) by redesignating subsections (d) and (e) as subsections (e) and (f), respectively;

(2) in subsection (e), as redesignated, by striking “as provided in subsection (e)” and inserting “as provided in subsection (f)”;

(3) by inserting after subsection (c) the following new subsection (d)—

“(d) SHARING PRIVILEGED INFORMATION WITH OTHER AUTHORITIES.—

“(1) PRIVILEGED INFORMATION PROVIDED BY THE COMMISSION.—The Commission shall not be deemed to have waived any privilege applicable to any information by transferring that information to or permitting that information to be used by—

“(A) any agency (as defined in section 6 of title 18, United States Code);

“(B) any foreign securities authority;

“(C) any foreign law enforcement authority; or

“(D) any State securities or law enforcement authority.”.

“(2) NON-DISCLOSURE OF PRIVILEGED INFORMATION PROVIDED TO THE COMMISSION.—Except as provided in subsection (f), the Commission shall not be compelled to disclose privileged information obtained from any foreign securities authority, or foreign law enforcement authority, if the authority has in good faith determined and represented to the Commission that the information is privileged.

“(3) NON-WAIVER OF PRIVILEGED INFORMATION PROVIDED TO THE COMMISSION.—No Federal agency or State securities or law enforcement authority shall be deemed to have waived any privilege applicable to any information by transferring that information to or permitting that information to be used by the Commission.

“(4) DEFINITIONS.—For purposes of this subsection:

“(A) The term ‘privilege’ includes any work-product privilege, attorney-client privilege, governmental privilege, or other privilege recognized under Federal, Foreign, or State law.

“(B) The term ‘foreign law enforcement authority’ means any foreign authority that is empowered under foreign law to detect, investigate or prosecute potential violations of law.

“(C) The term ‘State securities or law enforcement authority’ means the authority of any State or territory that is empowered under State or territory law to detect, investigate or prosecute potential violations of law.”

#### SEC. 17. TECHNICAL CORRECTIONS.

(a) SECURITIES ACT OF 1933.—The Securities Act of 1933 (15 U.S.C. 77a et seq.) is amended—

(1) in section 3(a)(4) (15 U.S.C. 77c(a)(4)), by striking “individual;” and inserting “individual;”;

(2) in section 18(b)(1)(C) (15 U.S.C. 77r(b)(1)(C)), by striking “is a security” and inserting “a security”;

(3) in section 18(c)(2)(B)(i) (15 U.S.C. 77r(c)(2)(B)(i)), by striking “State, or” and inserting “State or”;

(4) in section 19(d)(6)(A) (15 U.S.C. 77s(d)(6)(A)), by striking “in paragraph (1) of (3)” and inserting “in paragraph (1) or (3)”;

(5) in section 27A(c)(1)(B)(ii) (15 U.S.C. 77z-2(c)(1)(B)(ii)), by striking “business entity,” and inserting “business entity.”

(b) SECURITIES EXCHANGE ACT OF 1934.—The Securities Exchange Act of 1934 (15 U.S.C. 78 et seq.) is amended—

(1) in section 2(1)(a) (15 U.S.C. 78b(1)(a)), by striking “affected” and inserting “effected”;

(2) in section 3(a)(55)(A) (15 U.S.C. 78c(a)(55)(A)), by striking “section 3(a)(12) of the Securities Exchange Act of 1934” and inserting “section 3(a)(12) of this Act”;

(3) in section 3(g) (15 U.S.C. 78c(g)), by striking “company, account person, or entity” and inserting “company, account, person, or entity”;

(4) in section 10A(i)(1)(B)(i) (15 U.S.C. 78j-1(i)(1)(B)(i)), by striking “nonaudit” and inserting “non-audit”;

(5) in section 13(b)(1) (15 U.S.C. 78m(b)(1)), by striking “earning statement” and inserting “earnings statement”;

(6) in section 15(b)(1) (15 U.S.C. 78o(b)(1))—

(A) by striking the sentence beginning “The order granting” and ending “from such membership.” in subparagraph (B); and

(B) by inserting such sentence in the matter following such subparagraph after “are satisfied.”;

(7) in section 15 (15 U.S.C. 78o), by redesignating subsection (i), as added by section 303(f) of the Commodity Futures Modernization Act of 2000 (114 Stat. 2763A-455), as subsection (j);

(8) in section 15C(a)(2) (15 U.S.C. 78o-5(a)(2))—

(A) by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively;

(B) by striking the sentence beginning “The order granting” and ending “from such membership.” in such subparagraph (B), as redesignated; and

(C) by inserting such sentence in the matter following such redesignated subparagraph after “are satisfied.”;

(9) in section 16(a)(2)(C) (15 U.S.C. 78p(a)(2)(C)), by striking “section 206(b)” and inserting “section 206B”;

(10) in section 17(b)(1)(B) (15 U.S.C. 78q(b)(1)(B)), by striking “15A(k) gives” and inserting “15A(k), give”;

(11) in section 21C(c)(2) (15 U.S.C. 78u-3(c)(2)), by striking “paragraph (1) subsection” and inserting “Paragraph (1)”.

(c) TRUST INDENTURE ACT OF 1939.—The Trust Indenture Act of 1939 (15 U.S.C. 77aaa et seq.) is amended—

(1) in section 304(b) (15 U.S.C. 77ddd(b)), by striking “section 2 of such Act” and inserting “section 2(a) of such Act”;

(2) in section 313(a)(4) (15 U.S.C. 77mmm(a)(4)) by striking “subsection 311” and inserting “section 311(b)”;

(3) in section 317(a)(1) (15 U.S.C. 77qqq(a)(1)), by striking “(1),” and inserting “(1)”.

(d) INVESTMENT COMPANY ACT OF 1940.—The Investment Company Act of 1940 (15 U.S.C. 80a-1 et seq.) is amended—

(1) in section 2(a)(19) (15 U.S.C. 80a-2(a)(19)) by striking “clause (vi)” both places it appears in the last two sentences and inserting “clause (vii)”;

(2) in section 9(b)(4)(B) (15 U.S.C. 80a-9(b)(4)(B)), by inserting “or” after the semicolon at the end;

(3) in section 12(d)(1)(J) (15 U.S.C. 80a-12(d)(1)(J)), by striking “any provision of this subsection” and inserting “any provision of this paragraph”;

(4) in section 13(a)(3) (15 U.S.C. 80a-13(a)(3)), by inserting “or” after the semicolon at the end;

(5) in section 17(f)(4) (15 U.S.C. 80a-17(f)(4)), by striking “No such member” and inserting “No member of a national securities exchange”;

(6) in section 17(f)(6) (15 U.S.C. 80a-17(f)(6)), by striking “company may serve” and inserting “company, may serve”; and

(7) in section 61(a)(3)(B)(iii) (15 U.S.C. 80a-60(a)(3)(B)(iii))—

(A) by striking “paragraph (1) of section 205” and inserting “section 205(a)(1)”;

(B) by striking “clause (A) or (B) of that section” and inserting “section 205(b)(1) or (2)”.

(e) INVESTMENT ADVISERS ACT OF 1940.—The Investment Advisers Act of 1940 (15 U.S.C. 80b-1 et seq.) is amended—

(1) in each of the following sections, by striking “principal business office” or “principal place of business” (whichever and wherever it appears) and inserting “principal office and place of business”: sections 203(c)(1)(A), 203(k)(4)(B), 213(a), 222(b), and 222(c) (15 U.S.C. 80b-3(c)(1)(A), 80b-3(k)(4)(B), 80b-13(a), 80b-18a(b), and 80b-18a(c)); and

(2) in section 206(3) (15 U.S.C. 80b-6(3)), by inserting “or” after the semicolon at the end.

#### SEC. 18. CONFORMING AMENDMENTS FOR THE REPEAL OF THE PUBLIC UTILITY HOLDING COMPANY ACT OF 1935.

(a) SECURITIES EXCHANGE ACT OF 1934.—The Securities Exchange Act of 1934 (15 U.S.C. 78 et seq.) is amended—

(1) in section 3(a)(47) (15 U.S.C. 78c(a)(47)), by striking “the Public Utility Holding Company Act of 1935 (15 U.S.C. 79a et seq.)”; and

(2) in section 12(k) (15 U.S.C. 78l(k)), by amending paragraph (7) to read as follows:

“(7) DEFINITION.—For purposes of this subsection, the term ‘emergency’ means—

“(A) a major market disturbance characterized by or constituting—

“(i) sudden and excessive fluctuations of securities prices generally, or a substantial threat thereof, that threaten fair and orderly markets; or

“(ii) a substantial disruption of the safe or efficient operation of the national system for clearance and settlement of transactions in securities, or a substantial threat thereof; or

“(B) a major disturbance that substantially disrupts, or threatens to substantially disrupt—

“(i) the functioning of securities markets, investment companies, or any other significant portion or segment of the securities markets; or

“(ii) the transmission or processing of securities transactions.”

(3) in section 21(h)(2) (15 U.S.C. 78u(h)(2)), by striking “section 18(c) of the Public Utility Holding Company Act of 1935.”

(b) TRUST INDENTURE ACT OF 1939.—The Trust Indenture Act of 1939 (15 U.S.C. 77aaa et seq.) is amended—

(1) in section 303 (15 U.S.C. 77ccc), by amending paragraph (17) to read as follows:

“(17) The terms ‘Securities Act of 1933’ and ‘Securities Exchange Act of 1934’ shall be deemed to refer, respectively, to such Acts, as amended, whether amended prior to or after the enactment of this title.”;

(2) in section 308 (15 U.S.C. 77hhh), by striking “Securities Act of 1933, the Securities Exchange Act of 1934, or the Public Utility Holding Company Act of 1935” each place it appears and inserting “Securities Act of 1933 or the Securities Exchange Act of 1934”;

(3) in section 310 (15 U.S.C. 77jjj), by striking subsection (c) (including the preceding heading);

(4) in section 311 (15 U.S.C. 77kkk) by striking subsection (c);

(5) in section 323(b) (15 U.S.C. 77www(b)), by striking “Securities Act of 1933, or the Securities Exchange Act of 1934, or the Public Utility Holding Company Act of 1935” and inserting “Securities Act of 1933 or the Securities Exchange Act of 1934”; and

(6) in section 326 (15 U.S.C. 77zzz), by striking “Securities Act of 1933, or the Securities Exchange Act of 1934, or the Public Utility Holding Company Act of 1935,” and inserting “Securities Act of 1933 or the Securities Exchange Act of 1934”.

(c) INVESTMENT COMPANY ACT OF 1940.—The Investment Company Act of 1940 (15 U.S.C. 80a-1 et seq.) is amended—

(1) in section 2(a)(44) (15 U.S.C. 80a-2(a)(44)), by striking “Public Utility Holding Company Act of 1935”;

(2) in section 3(c) (15 U.S.C. 80a-3(c)), by amending paragraph (8) to read as follows:

“(8) [Repealed]”;

(3) in section 38(b) (15 U.S.C. 80a-37(b)), by striking “the Public Utility Holding Company Act of 1935,”; and

(4) in section 50 (15 U.S.C. 80a-49), by striking “the Public Utility Holding Company Act of 1935.”

(d) INVESTMENT ADVISERS ACT OF 1940.—Section 202(a)(21) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-2(a)(21)) is amended by striking “Public Utility Holding Company Act of 1935.”

#### SEC. 19. NATIONWIDE SERVICE OF SUBPOENAS.

(a) SECURITIES ACT OF 1933.—Section 22(a) of the Securities Act of 1933 (15 U.S.C. 77v(a)) is amended by inserting after the second sentence the following: “In any action or proceeding instituted by the Commission under this title in a United States district court for any judicial district, subpoenas issued by or on behalf of such court to compel the attendance of witnesses or the production of

documents or tangible things (or both) may be served in any other district. Such subpoenas may be served and enforced without application to the court or a showing of cause, notwithstanding the provisions of rule 45(b)(2), (c)(3)(A)(ii), and (c)(3)(B)(iii) of the Federal Rules of Civil Procedure.”

(b) SECURITIES EXCHANGE ACT OF 1934.—Section 27 of the Securities Exchange Act of 1934 (15 U.S.C. 78aa) is amended by inserting after the third sentence the following: “In any action or proceeding instituted by the Commission under this title in a United States district court for any judicial district, subpoenas issued by or on behalf of such court to compel the attendance of witnesses or the production of documents or tangible things (or both) may be served in any other district. Such subpoenas may be served and enforced without application to the court or a showing of cause, notwithstanding the provisions of rule 45(b)(2), (c)(3)(A)(ii), and (c)(3)(B)(iii) of the Federal Rules of Civil Procedure.”

(c) INVESTMENT COMPANY ACT OF 1940.—Section 44 of the Investment Company Act of 1940 (15 U.S.C. 80a-43) is amended by inserting after the fourth sentence the following: “In any action or proceeding instituted by the Commission under this title in a United States district court for any judicial district, subpoenas issued by or on behalf of such court to compel the attendance of witnesses or the production of documents or tangible things (or both) may be served in any other district. Such subpoenas may be served and enforced without application to the court or a showing of cause, notwithstanding the provisions of rule 45(b)(2), (c)(3)(A)(ii), and (c)(3)(B)(iii) of the Federal Rules of Civil Procedure.”

(d) INVESTMENT ADVISERS ACT OF 1940.—Section 214 of the Investment Advisers Act of 1940 (15 U.S.C. 80b-14) is amended by inserting after the third sentence the following: “In any action or proceeding instituted by the Commission under this title in a United States district court for any judicial district, subpoenas issued by or on behalf of such court to compel the attendance of witnesses or the production of documents or tangible things (or both) may be served in any other district. Such subpoenas may be served and enforced without application to the court or a showing of cause, notwithstanding the provisions of rule 45(b)(2), (c)(3)(A)(ii), and (c)(3)(B)(iii) of the Federal Rules of Civil Procedure.”

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Pennsylvania (Mr. KANJORSKI) and the gentlewoman from Ohio (Ms. PRYCE) each will control 20 minutes.

The Chair recognizes the gentleman from Pennsylvania.

#### GENERAL LEAVE

Mr. KANJORSKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this legislation and insert extraneous material thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KANJORSKI. Mr. Speaker, I yield myself such time as I may consume.

(Mr. KANJORSKI asked and was given permission to revise and extend his remarks.)

Mr. KANJORSKI. Mr. Speaker, I rise today in support of H.R. 6513, the Securities Act of 2008.

This commonsense legislation enjoys broad bipartisan support. H.R. 6513 will also better protect investors, promote greater confidence in our capital markets at a crucial time, as investor anxieties persist because of this ongoing financial turmoil.

Additionally, H.R. 6513 increases the effectiveness of the Securities and Exchange Commission by strengthening its enforcement authority.

The current economic woes have once again highlighted the need for the Congress to vest regulators with the authority they need to keep markets balanced and their participants honest. The Securities Act of 2008 thus provides the commission with many of the important regulatory tools that it has sought as part of its annual authorization requests in recent years.

In particular, the commission's enforcement program will benefit greatly from the provisions authorizing the nationwide service of subpoenas and the imposition of collateral bars. These provisions respectively will allow the commission to allocate its funds more efficiently and prevent bad actors from re-entering other parts of the industry.

Securities Exchange Chairman Cox has expressed a letter of his support for this legislation to implement the commission's recommendations. Chairman Cox has also commended the Financial Services Committee's bipartisan leadership in developing this bill. The North American Securities Administrators Association has also endorsed this bill by noting that now is the time to strengthen securities regulation, given what has happened on Wall Street in recent years.

In addition to updating the Federal securities laws by making numerous technical corrections, this bill improves investor protection in at least three other ways.

First, it provides greater clarity about the commission's authority to impose sanctions on and seek remedies from individuals who violated the law but who are no longer associated with a regulated entity.

Second, the bill conforms the language of the law to existing interpretations about when unlawful margin lending occurs.

Third, this bill helps investors by extending the insurance provided by the Securities Investor Protection Corporation to securities futures held within their portfolio. As a result, this bill enhances the competitiveness of the U.S. markets by advancing portfolio-based margining for the customers of broker-dealers.

Capital flows to the most efficient markets, and because most financially developed countries allow this risk-based, investor protection hedging practice, the U.S. equity markets simply must keep pace to compete in today's global economy by allowing it as well.

As per my earlier unanimous consent request, I am inserting in the CONGRESSIONAL RECORD a more detailed state-

ment about these three important investor protection measures in order to provide greater legislative history on them.

Before closing, I should note that previously the House has unanimously passed during the 110th Congress several of the provisions contained in this larger reform package. Moreover, this bill has strong bipartisan support, and my colleagues on both sides of the aisle therefore deserve tremendous credit for working together on this legislation. In particular, the gentleman from New York (Mr. MEEKS), the gentleman from Illinois (Mr. ROSKAM), the gentleman from Kentucky (Mr. DAVIS), and the gentleman from California (Mr. CAMPBELL) have worked diligently on many of these provisions in this bill. I appreciate their prior efforts and their support as cosponsors of this larger legislative package.

The chairman, Mr. FRANK, and the ranking member, Mr. BACHUS, of the Financial Services Committee, in addition to my ranking member (Ms. PRYCE) on the Capital Markets Subcommittee all support this bill.

□ 1430

Our cooperative effort on this bill illustrates that good policy can emerge from this body when ideology and partisanship yield to practicality and the common good.

I would just like to comment that that sentence represents the career, to some extent, of Ms. PRYCE. Ms. PRYCE is joining us on the floor today, possibly for the last time in her congressional career. She has been my chairman and my ranking member as my career through Congress has occurred. DEBORAH knows that when I first heard of her intentions to retire, I was greatly saddened, because this body will be losing an individual on either side of the aisle who has been most cooperative, most nonpartisan, and most productive as a legislator of anyone I can remember in my years here in this body.

I wish her well in her retirement. I know it will only be a retirement in terms of leaving the Congress, not leaving active, productive, and contributing life in another form in Ohio or somewhere else. But we will miss you on the committee, on the subcommittee, and in this Congress, Ms. PRYCE.

In sum, I urge all my colleagues to vote “yes” on H.R. 6513.

Mr. KANJORSKI. Mr. Speaker, I rise today to express further support for the Securities Act of 2008, to explain why this legislation confirms certain existing authorities of the Securities and Exchange Commission, and to provide for the legislative history some background on the facts that informed the drafting of this bill.

In regard to section 3 on Formerly Associated Persons in H.R. 6513, many provisions of the Federal securities laws that authorize the sanctioning of a person who engages in misconduct while associated with a regulated or supervised entity explicitly provide that such

authority exists even if the person is no longer associated with that entity.

Several provisions, however, do not explicitly address this issue, although the intent of earlier Congresses appears to have been that the Securities and Exchange Commission had such authority, and no contrary statutory language or legislative history exists. In fact, the Congress has earlier amended several statutory provisions to ratify and confirm the authority of the Commission to discipline a person formerly associated with a regulated entity for conduct while an associated person, but it did not express intent to provide such authority only for those provisions being amended.

To build on these previous efforts, section 3 of H.R. 6513 amends additional provisions of the securities laws that do not explicitly address this issue. These changes confirm that the Commission may sanction or discipline persons who engage in misconduct while associated with a regulated or supervised entity, even if they are no longer associated with that entity. Accordingly, the amendments would not alter or expand the Commission's current authority. They would only ratify and confirm it.

As a general rule, it is the intent of the Congress that the securities laws, including but not limited to those provisions amended by this section, apply to and provide meaningful remedies for sanctioning persons who engage in misconduct while associated with a regulated or supervised entity, even if the person is no longer associated with that entity.

Also, the Capital Markets Efficiency Act of 1996 inter alia exempted from Federal margin requirements, adopted under section 7 of the Securities Exchange Act of 1934, credit extended, maintained, or arranged to or for a member of a national securities exchange or registered broker-dealer under certain circumstances. In the portion of section 7 that was not substantively amended by the Capital Markets Efficiency Act, the word "and" was inserted, which could be read to mean that margin lending would be unlawful only if both elements of the pre-existing prohibitions were violated, when prior to the Capital Markets Efficiency Act violation of either prong was sufficient to make such margin lending unlawful.

Specifically, the first prong, section 7(c)(1)(A), states that margin lending is unlawful if done in contravention of the Federal Reserve Board's rules, and the second prong, section 7(c)(1)(B), states that margin lending is unlawful without collateral or on any collateral other than securities, except in accordance with the Federal Reserve Board's rules. The proposed change would clarify that a violation of either prong remains sufficient to establish a cause of action for improper margin lending. This technical drafting amendment contained in section 7 of H.R. 6513 conforms the statutory language of section 7 of the Exchange Act to existing interpretations that provide that the two clauses represent independent requirements.

Additionally, section 8 of H.R. 6513 would amend the Securities Investor Protection Act of 1970 to extend Securities Investor Protection Corporation insurance to futures positions held in a portfolio margining account under a program approved by the Commission. In paragraph (b)(2)(B)(iii) of this section, the word "such" refers to those securities positions described in paragraphs (b)(2)(A) and (b)(2)(B)(ii). The purpose of paragraph (b)(2)(B)(iii) is to extend protection to any per-

son who has a claim against the debtor arising out of sales or conversions of securities described in either paragraph. Any claims for security futures under this section are claims for cash and not for a "security." In addition, "security futures contract" as used in this section has the same meaning as "security future" as defined in 15 USC 7811 (14).

With this additional legislative history in mind, I will vote for this bill. I urge my colleagues to do the same.

I reserve the balance of my time.

Ms. PRYCE of Ohio. I yield myself such time as I may consume.

Please let me begin by thanking my chairman for those very, very kind, overly kind remarks. I will miss working with him and on this committee. It has been a wonderful experience for me, and working in a bipartisan, non-partisan way with Chairman KANJORSKI and others on the committee has been an experience that I will always value. So, thank you, sir.

Mr. Speaker, I rise in support of H.R. 6513, the Securities Act of 2008. This legislation before us today is a commonsense, bipartisan bill developed by Chairman KANJORSKI, Chairman FRANK, Ranking Member BACHUS, and myself.

The bill enhances investor protection, capital market competitiveness, makes the SEC a more effective agency, and the legislation makes our regulation and standards setter, the SEC, more accountable to the capital markets.

H.R. 6513 would enact components of the Securities and Exchange Commission's legislative requests submitted to Congress in both 2007 and 2008. The bill also amends the Securities Investor Protection Act, or SIPA, to allow investors to hold all equity-related positions in a single portfolio margin account. The SIPA amendment creates a clear pathway for regulators to follow in order to realize the state-of-the-art portfolio-based margining system for customers of broker-dealers.

The SIPA amendment would enhance the competitiveness of U.S. markets and eliminate inefficiencies in our current regulatory regime that put U.S. firms and customers at a competitive disadvantage internationally.

Mr. Speaker, this bill also includes bills passed by the House last year under suspension, including H.R. 755, introduced by Representative GEOFF DAVIS, benefiting investors by increasing the usability of financial reports and ensuring that financial regulators are committed to meaningful and clear disclosures; H.R. 2868, by Representatives MEEKS and FOSSELLA, allowing U.S. exchanges to create listing tiers for smaller companies. This is a welcome tool to promote our capital markets as well as attract and retain investment capital in the United States. And H.R. 3505, by Representative PETER ROSKAM, which makes technical corrections to the Federal securities laws, making sure our securities laws are unambiguous, grammatically correct, and current.

The SEC endorsed this legislation, as did the North American Securities Administrators Association and a large coalition of U.S. exchanges. In this time of tumult in our marketplaces in this country and elsewhere, it is appropriate legislation.

In closing, Mr. Speaker, I want to thank Kevin Edgar, Todd Harper, and Jason Pitcock from the Capital Market Subcommittee staff; Peter Roberson, Deborah Silberman, and Lawranne Stewart from Chairman FRANK's staff for all their hard work on this legislation, as well as Peter Freeman from my staff.

I urge my colleagues to support the Securities Act of 2008. I thank the chairman once again for his kind words.

I yield back the balance of my time.

Mr. KANJORSKI. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Pennsylvania (Mr. KANJORSKI) that the House suspend the rules and pass the bill, H.R. 6513, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Ms. PRYCE of Ohio. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

#### ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, proceedings will resume on motions to suspend the rules previously postponed.

Votes will be taken in the following order:

H. Con. Res. 344, by the yeas and nays;

House Resolution 937, by the yeas and nays;

House Resolution 1069, by the yeas and nays.

The first electronic vote will be conducted as a 15-minute vote. Remaining electronic votes will be conducted as 5-minute votes.

#### RECOGNIZING THAT WE ARE FACING A GLOBAL FOOD CRISIS

The SPEAKER pro tempore. The unfinished business is the vote on the motion to suspend the rules and agree to the concurrent resolution, H. Con. Res. 344, as amended, on which the yeas and nays were ordered.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. The question is on the motion offered by